

## Message Text

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PAGE 01 TOKYO 03746 080952Z  
ACTION EA-12

INFO OCT-01 ISO-00 H-01 EB-08 DOTE-00 L-03 TRSE-00  
COME-00 CIAE-00 INR-10 NSAE-00 /035 W  
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R 080844Z MAR 78  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 5913  
INFO :AMEMBASSY SEOUL  
CINCPAC HONOLULU

C O N F I D E N T I A L TOKYO 3746

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS  
TAGS: PINT, JA, KS  
SUBJECT: MORE SEOUL SUBWAY CHARGES

REF: TOKYO 2011

SUMMARY. CHARGES FROM OPPOSITION DIETMEN HAVE BEEN CREDIBLE  
ENOUGH TO KEEP SO-CALLED SEOUL SUBWAY SCANDAL ON FRONT-PAGES,  
BUT SO FAR NAMES OF JAPANESE POLITICIANS HAVE NOT COME OUT.  
END SUMMARY.

1. SEIJI MASAMORE, ONE OF TWO COMMUNIST DIETMEN WHO VISITED  
US IN FEBRUARY, RETURNED TO CLAIM HE HAD LEARNED WHERE  
\$1.3 MILLION OF \$2.5 MILLION IN ALLEGED KICKBACKS GIVEN BY  
FOUR JAPANESE FIRMS WITH SEOUL SUBWAY CONTRACT HAD GONE. IN  
INTERVIEW WITH ASAHI, MASAMORI SAID HOLDER OF BANK ACCOUNT  
WAS FORMER ROK DEMOCRATIC REPUBLICAN PARTY FINANCIAL AFFAIRS  
COMMITTEE CHAIRMAN, KIM SONG-KON, BUT THAT MONEY HAD REALLY  
GONE FROM HIM TO YI HU-RAK, THEN DIRECTOR OF KCIA. MASAMORI  
HAS OFFERED NO EVIDENCE TO SUBSTANTIATE THAT CHARGE IN  
DIET OR ELSEWHERE. IN LOWER HOUSE BUDGET COMMITTEE  
INTERPELLATIONS THIS WEEK, HE HAS INSTEAD CONCENTRATED  
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ON DEMANDING SUMMONS OF OFFICIALS OF HITACHI COMPANY  
FOR TESTIMONY ON ALLEGATIONS THAT EXCESS PROFITS FROM  
ITS SALE OF CARS FOR SUBWAY WENT INTO ITS POLITICAL  
SLUSH FUND.

2. BUDGET COMMITTEE INTERPELLATIONS BY SHUN OIDE,  
WHO WAS JAPAN SOCIALIST PARTY'S PRINCIPAL QUESTIONER

IN LOCKHEED COMMITTEE, HAVE CONCENTRATED ON KICKBACK FUND ALLEGEDLY SET UP IN NEW YORK BY FOUR JAPANESE TRADING FIRMS PARTICIPATING IN SUBWAY DEAL, MITSUBISHI, MITSUI, MARUBENI, AND NISSHO-IWAI. ON MARCH 6 OIDE SUCCEEDED IN GETTING CHIEF OF NATIONAL TAX ADMINISTRATION AGENCY TO ADMIT THAT HE HAD SENT FIVE INVESTIGATORS TO US IN DECEMBER 1977 TO CHECK ON POSSIBLE TAX EVASION BY US SUBSIDIARIES OF MITSUBISHI AND MITSUI IN CONNECTION WITH LAUNDERING OF KICKBACK MONEY. HE WOULD NOT DIVULGE THEIR FINDINGS. OIDE'S QUESTIONS ALSO PRODUCED DENIAL BY MOFA SPOKESMAN THAT GOJ CONTEMPLATED YEN CREDITS FOR SECOND SEOUL SUBWAY LINE.

3. COMMENT: LONG, HARD MUCKRAKING EFFORTS BY BOTH COMMUNIST AND SOCIALIST REPS HAVE NOT HAD MUCH OF PAYOFF. FOUR MAJOR COMPANIES HAVE BEEN AND PROBABLY WILL CONTINUE TO BE SUBJECT OF EMBARRASSING REVELATIONS AND ACCUSATIONS OF COLLUSION WITH ROKG-KCIA AND OPPOSITIONISTS HAVE RECEIVED GOOD-SIZED HEADLINES AND TV NEWS FOOTAGE. YET, WE NOTE THAT SO FAR IN SO-CALLED SUBWAY SCANDAL, NAMES OF JAPANESE POLITICIANS HAVE NOT COME OUT. UNLESS AND UNTIL OPPOSITION CAN MAKE SOME SORT OF LINKAGE BETWEEN MISDEEDS OF JAPANESE FIRMS AND JAPANESE POLITICIANS, SCANDAL WILL REMAIN I MINOR LEAGUES.  
SHERMAN

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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
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**Disposition Date:** 20 Mar 2014  
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**Executive Order:** GS  
**Errors:** N/A  
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**TAGS:** PINT, ELTN, JA, KS  
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**Review Markings:**  
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